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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 29, 2013

Certified Return Receipt Requested
7010 2780 0002 7254 0456

Jeff Fawcett
Color Country Rock, LLC
2160 East Panorama Parkway
St. George, Utah 84790

Subject: Division Directive to Provide Reclamation Surety, Color Country Rock, LLC., Windy #3 Mine, S/053/0071, Washington County, Utah

Dear Mr. Fawcett:

On January 23, 2012, the Division was notified that the Letter of Credit from Sun Bank was no longer valid. At that time, you were notified that a replacement surety in the amount of \$27,800 was needed by April 15, 2012. To date, we have not received the replacement surety for this site (we did receive the replacement surety for the Vermillion Mine). An inspection of the site on May 8, 2013 found that the site has not been reclaimed and that certain maintenance tasks need to be done (inspection report attached).

In January of 2013, the Division received a deficient transfer application to transfer this permit to Robert Stone, Inc. A letter was sent on January 22, 2013 to both you and Robert Stone, Inc. outlining what needed to be done to complete the transfer (including providing the replacement surety). To date, the Division has not received a response to that letter from either you or Robert Stone, Inc., nor have we received a replacement surety for the site. The Division feels that it has given you more than adequate time to replace the Sun Bank Letter of Credit that had been posted for the reclamation surety requirement for this project.

Therefore, by July 29, 2013, you are hereby directed to:

- Provide an acceptable reclamation surety in the amount of \$27,800, OR
- Complete the permit transfer as outlined in the January 22, 2013 letter, OR
- Complete reclamation of the site as required by the Mined Land Reclamation Act and the Minerals Program rules.



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Failure to provide the adequate reclamation surety as directed above may result in the Division pursuing formal enforcement action, which may include (but is not limited to) fines, an order to show cause before the Board of Oil, Gas and Mining as to why your permit should not be revoked, an order to immediately reclaim the site, or other legal remedies.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Lynn Kunzler at (801) 538-5310. Thank you for your cooperation in resolving the surety issue for the Windy #3 mine.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul B. Baker", with a stylized flourish at the end.

Paul B. Baker
Minerals Program Manager

PBB: Lk: eb

Attachment: Inspection Report of May 8, 2013

cc: Jimmy Tyree, BLM (St. George Field Office)
Robert Humphries, Robert Stone, Inc, 2317 Interstate Ave, Grand Junction, CO 81505
Penny Berry, DOGM

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